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WEDNESDAY
SEPTEMBER 23, 1953

Herbert Blankenhorn called on me this morning. He had seen the Chancellor yesterday, who instructed him to take up various points with me.

(1) Should the Chancellor make any compromise with Bidault on the supra-national aspects of the EPC? I told him my answer was emphatically no, and elaborated on the reasons for it with particular attention to the probability, as Harold Callender has been pointing out constantly in the Times, that a Council of National Ministers, substituted for a real supranational executive authority, would be in a position through "direction and supervision" to wreck the under-lying principles of the CSC and and EDC organizations.

(2) General Billotte had approached one of the German Foreign Office men to ask whether the Chancellor would meet Laniel privately and discuss Franco-German affairs with him, with Monsieur Bidault being expressly excluded from these conversations. I told Blankenhorn I thought such an acceptance would be wholly unwise. If it is a bona fide wish on Laniel's part, he should deal directly with the Chancellor and not through intermediaries. The Chancellor should under no conditions whatever express a willingness to meet Laniel without Bidault. If such is what Laniel wishes, it is up to him to deal with Monsieur Bidault, who would be properly and intensely offended by the Chancellor's agreeing to such a procedure. Naturally, if Laniel wishes to meet him the Chancellor should express himself as being happy to confer with him and incidentally should be ready to meet with any Prime Minister who wished to arrange a conversation.

(3) The Chancellor is disquieted by the slowness of the French in moving on EDC and wonders whether there is something he can usefully do to accelerate ratification. I said in my opinion the best thing he could do would be to keep quiet until the meeting of the Foreign Ministers at The Hague

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on October 20 unless some at present unforeseen event would make his prior intervention valuable.

(4) The Chancellor was inclined to believe ~~that~~ he should make an agreement by the French on new elections in the Saar a condition precedent to a discussion with Bidault on a Saar settlement. I said I thought this would be most unfortunate. He should confer with Bidault, see what accommodation ~~would~~ might be reached between the two countries, and then take up the question of "free" and new elections in connection with the necessity of having the approval of the Saarrois to whatever arrangement was satisfactory to the French and the Germans. I also said I thought the Chancellor's suggestion that the Saar be represented in conversations between himself and Bidault was highly undesirable but, under what I proposed, would not become an issue since I assumed that if the Chancellor gave up the idea of elections prior to his conference he would not recognize a representative from the present Saar Government.

(5) He said ~~that~~ the Chancellor had for the first time begun to consider possible alternatives in case the EDC were not ratified and was wondering whether he should mention this to Bidault. I said I thought that would be a ~~very~~ great error; ~~that~~ there appeared to be no alternative that could even be discussed without entailing grave delays and ~~that~~ the mere thought of the Chancellor giving consideration to such ideas would further confuse the already complicated situation in France and would be used as an excuse for additional procrastination. I urged vehemently that the ~~Chancellor abandon any such~~ tentative.

(6) There were a few other things of minor concern upon ~~which Blankenhorn~~ and I were in accord.

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I told him I thought the recent discussions about demilitarized zones on either side of the Oder-Neisse line, the stationing only of EDC troops in Germany, and the withdrawal of British and American troops to the French side of the line were certain, if carried further or if suggested by the Chancellor, to prove extremely embarrassing. Spaak and others have lately developed these ideas publicly and the Chancellor should stay out of it at least until the French, British and American Governments and SHAPE have been consulted on the matter. It seemed to me obvious that any such contemplated arrangement would require a reexamination by SHAPE of the present NATO strategic plan, and, in addition, posed [redacted] serious political questions not only for potential EDC members but for the U.S. and the U.K. as well which must be dealt with if such proposals are to be seriously considered at the highest levels by [redacted] Governments. He said he believed this to be the Chancellor's view, and he was sure the Chancellor did not intend to say anything publicly at this time on the subject.

I explained once again to Blankenhorn the importance of the Socialist vote in favor of EDC as well as EPC. Bidault ostensibly is seeking to attract thirty Gaullist deputies to the side of ratification. In my opinion, if he succeeds in doing so it will be only by making concessions which would seriously impair the supranational status of the institutions. It is possible that, without making any concessions, he might get some Gaullist votes, but any such concession to the Gaullists would be doubly compensated for in an adverse sense by the defection of Socialists who have announced their intention to vote for EDC provided the association between the U.K. and EDC is satisfactory to them and that a political authority is constituted which will exercise a democratic control over the EDC Army. There are other Socialist conditions, but of minor importance. It now appears that the protocol, which can be reduced to a definitive form at

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any time, representing the British EDC association, is satisfactory to the Socialists.

In view of all this, I told Blankenhorn it seemed to me the Chancellor should not make any compromise and should assiduously refrain from anything that might be considered the exercise of pressure by him on the French domestic political situation. I would anticipate that the views of the Gaullists and those of the majority of the Socialist Party (amongst the Socialists a minimum of twenty members would vote against EDC in any event) were irreconcilable. It was far more likely that the so-called Guy Mollet Socialist votes would be cast in favor of EDC ratification than it was that, despite whatever compromise might be made, a substantial number of favorable Gaullist votes could be attracted. Looking a little further, if this irreconcilability resulted in a parliamentary debate later on in the year, the Government might well fall as a result of the withdrawal of Gaullist support and a new Government might be formed or the old one re-formed by the Socialists entering the coalition. All this, however, if it should take place, would be decided by the French alone after a bitter struggle.

Many comments have appeared in the press today regarding Mollet's speech yesterday at the Strasbourg Council of Europe Assembly meeting where he said in effect that his wing of the Socialist Party was ready to support the EDC if a supranational authority in the EPC were constituted. Some of the comment today has indicated [redacted] this is a decisive statement since, if carried out, it would assure at least a slight majority in the Parliament favorable to ratification. At any rate, certain commentators have greeted it as the most significant incident affecting the Community of Europe since the German elections.

Monsieur Poulain of Nicolas called on me and I had a [redacted] satisfactory talk with him about shipping [redacted] wine to Doc Matthews when the latter is desig-

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nated publicly our new Ambassador to Holland. Doc's chief interest has always been in red Burgundy wines, of which he has a fine cellar, and he wrote me asking me to arrange for the purchase of certain selected red Bordeaux, Ch. d'Yquem, and some white Burgundies. Poulain had with him a list of my own red Burgundies which are stored by his firm. He advised me to commence making inroads on 144 bottles of 1929 Clos de Reas which in the opinion of his experts should be consumed within the next two or three years.

Monnet telephoned me from Luxembourg saying he would be down here Friday or Saturday of this week and wished to see me.

This afternoon Mr. W. H. Naylor, President of the Pocahontas Fuel Company in Baltimore, called on me. Although his Company is the largest single exporter of high-grade coal from the United States to Europe, he is not at all alarmed over the possibility of the Coal and Steel Community becoming independent of American coal shipments. He says that the previous sales of American coal to members of that Community have been abnormal and in the long run have been financed by American taxpayers through Government grants and loans. The great thing is for the Europeans to become self-supporting in this field through their own production and, more importantly, to attain a foreign exchange stability which will enable them in a competitive market, if they wish to buy American coal of special qualities, to do so at their own expense. As an instance of how the U. S. taxpayer is subsidizing a part or a whole of many of these purchases, he cited the fact that half of any coal paid for through U. S. Government agencies had to be transported on American flag vessels which charged a freight rate of about four dollars a ton more than when carried in foreign flag bottoms.

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I had an agreeable talk with Naylor about Maryland. He was born on the Eastern shore and has lately purchased a house there at Oxford.

I stopped to see Monsieur Chauffrey tonight and picked up a Flemish painting purchased at Doucet which he had been restoring for me. His work is beautifully done. He does the major part of the Louvre's restorations. He charged me 30,000 francs for this operation, which is very low indeed.

In the course of general conversation, he told me he was a great believer in plans for European integration. He said frankly that, like many of his countrymen, he greatly disliked the so-called American occupation but [redacted] it was far better than the threat of Russian occupation, which was the obvious alternative. He did not put it as crudely as this and did so diffidently, explaining that the presence of large numbers of foreign troops in any country would always give rise to disagreeable reactions from the native population, and that the propaganda of "Americans, Go Home" should be considered in this light.

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